

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Mancelona	County Antrim
Fiscal Year End March 31, 2007	Opinion Date May 29, 2007	Date Audit Report Submitted to State June 19, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

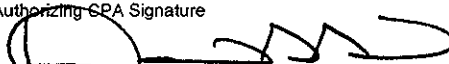
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	None	
Other (Describe)	<input type="checkbox"/>	None	
Certified Public Accountant (Firm Name) Dan Smith, CPA		Telephone Number (989)732-1441	
Street Address 114 S Center Avenue Suite 108		City Gaylord	State MI
		Zip 49735	
Authorizing CPA Signature 		Printed Name Daniel S. Smith	License Number 1101020912

TOWNSHIP OF MANCELONA
ANTRIM COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2007

TOWNSHIP OFFICIALS

SUPERVISOR

GERALD PATRICK

CLERK

MAURICE McGLEISH

TREASURER

CATHY SUE ROBINSON

TRUSTEES

DAN BEAN

MARGARET CHAPMAN

TOWNSHIP OF MANCERLONA

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INDEPENDENT AUDITOR'S REPORT

May 29, 2007

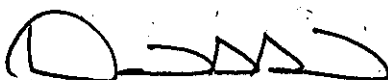
To the Township Board
Township of Mancelona

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mancelona, Antrim County, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Township's managements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mancelona, Antrim County, Michigan as of March 31, 2007, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages II - V and budgetary comparison information on pages 20 - 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.



Daniel S. Smith, CPA

TOWNSHIP OF MANCELONA

202 W. State Street
Mancelona, MI 49659

TOWNSHIP OF MANCELONA MANAGEMENT'S DISCUSSION & ANALYSIS YEAR ENDED MARCH 31, 2007

This section of the Township of Mancelona's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2007. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Township assets at March 31, 2007, as reported in the Statement of Net Assets, totaled approximately \$2,500,000 for governmental activities. Of the total Township assets, approximately \$1,486,000 represents capital assets net of depreciation.

Overall revenues were approximately \$1,227,500 (\$226,300 from program revenues and \$1,001,200 from general revenues). Overall expenses approximated \$1,183,800.

The Township entered into a land contract for \$191,000 in order to purchase the new township hall. Long-term debt and capital asset activity is addressed further in a subsequent section of this letter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion & analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present the governmental activities of the Township. The Township does not engage in any business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The Statement of Net Assets includes all of the entity's assets and liabilities. The Statement of Activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities; this is one method to measure the Township's financial health or position.

Over time, increases or decreases in an entity's net assets is an indicator of whether financial position is improving or deteriorating.

To assess overall health of an entity, you may also have to consider additional factors such as tax base changes, facility conditions, and personnel changes.

All of the activities of the Township are reported as governmental activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township Board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following types of funds:

Governmental Funds: All of the Township's activities are included in the governmental fund category. These funds are presented on the modified

accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets: The Township's combined net assets increased approximately \$43,700 during the year ended March 31, 2007 totaling \$2,307,023. The increase is mainly due to conservative fiscal monitoring by the board over virtually all expenditures.

Government Funds: The fund balances for governmental funds decreased approximately (\$101,600). The decrease is due primarily to the purchase of the new township hall (\$307,170).

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund: This fund is used to record all activities of the Township not required to be recorded in a separate fund. This would primarily include township administration, ambulance services, and the costs to operate the township hall. The major sources of revenue for the general fund are the Township tax base and the revenue sharing from the State of Michigan. The major expenses for this fiscal year included the general operating activities of the Township, ambulance services, and the purchase of the new hall.

Fire Fund: The Fire Fund is used to account for all activities related to fire protection services. Revenues are derived primarily from property taxes and contractual services to Custer Township, and totaled \$340,334. Fire expenditures totaled \$336,577, of which \$110,348 was spent on capital assets. Other major expenditures include wages, repairs and maintenance and insurance.

Road Fund: The Road Fund is used to account for all activities related to road repair and construction. Revenues are derived primarily from property taxes and special assessments, totaling \$383,978. Expenditures, totaling \$408,259, were paid to repair and pave several Township roads.

The Township has the following non-major funds:

Cemetery, Library, and Liquor Law Enforcement. These funds are primarily supported by program revenues, with some assistance from the general fund.

Revenues totaled \$52,136 and expenditures totaled \$113,408, with \$46,010 coming from the general fund.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets: Additions to the Township's capital assets include the following: new township hall (\$307,170), new pole building for the fire department (\$45,248), new Kenworth chassis (\$65,100), paved cemetery road (\$19,315).

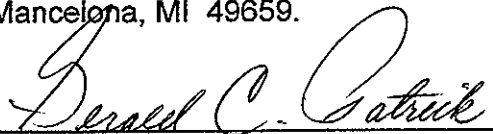
Long-Term Debt: The Township entered into a land contract to help finance the new township hall. The contract was for \$191,000, with interest being accrued at 4.5%.


KNOWN FACTORS AFFECTING FUTURE OPERATIONS

The Township will continue to monitor it's list of future road projects, and look to pay off the new building as soon as possible.

CONTACTING TOWNSHIP MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report please contact Maurice McGleish, Township Clerk or Sue Robinson, Township Treasurer at 9610 M-88 Hwy., Mancelona, MI 49659.


Gerald Patrick, Supervisor


Maurice McGleish, Township Clerk


Sue Robinson, Township Treasurer

**TOWNSHIP OF MANCERONA
STATEMENTS OF NET ASSETS
MARCH 31, 2007**

ASSETS

Current Assets:

Cash	\$ 683,307
Investments	237,430
Due from Fiduciary Fund	6,710
Delinquent Taxes Receivable	85,954
	<hr/>
Total Current Assets	1,013,401
	<hr/>

Capital Assets:

Capital Assets	2,450,613
Less, Accumulated Depreciation	(964,155)
	<hr/>
Total Capital Assets	1,486,458
	<hr/>

Total Assets	2,499,859
	<hr/> <hr/>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 122
Due to Ambulance Authority	8,519
Current Portion - Land Contract	9,438
	<hr/>
Total Current Liabilities	18,079
	<hr/>

Noncurrent Liabilities:

Land Contract	174,757
	<hr/>
Total Liabilities	192,836
	<hr/> <hr/>

NET ASSETS

Investment in Capital Assets, Net of Debt	1,302,263
Net Assets, Unrestricted	524,268
Net Assets, Restricted	480,492
	<hr/>
Total Net Assets	\$ 2,307,023
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See accompanying notes to the financial statements

**TOWNSHIP OF MANCERLONA
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007**

P R O G R A M R E V E N U E S					NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRI- BUTIONS	CAPITAL GRANTS AND CONTRI- BUTIONS	GOVERNMENTAL ACTIVITIES	
GOVERNMENTAL ACTIVITIES:					
Township Administration	\$ (215,115)	\$ -	\$ -		\$ (160,603)
Assessing	(36,400)	-	-		(36,400)
Buildings and Grounds	(78,102)	-	-		(78,102)
Ambulance Services	(46,275)	-	-		(46,275)
Fire Protection	(304,638)	116,588	-		(188,050)
Road Construction	(408,259)	-	-		(401,346)
Library	(58,050)	6,913	-		(29,097)
Cemetery	(32,952)	27,456	-		(15,204)
Liquor Law	(4,057)	1,579	-		(2,478)
	(1,183,848)	190,345	35,948		(957,555)
GENERAL REVENUES					
Property Taxes					746,082
State Shared Revenue					183,677
Swamp Tax					11,820
Interest on Investments					31,767
Royalties					14,496
Other					13,440
Total General Revenues					1,001,282
Change in Net Assets					43,727
Net Assets - Beginning of Year					2,263,296
Net Assets - End of Year					\$ 2,307,023

See accompanying notes to the financial statements

**TOWNSHIP OF MANCERLONA
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007**

	<u>MAJOR GOVERNMENTAL FUNDS</u>			NON-MAJOR GOVERN- MENTAL FUNDS	TOTAL
	GENERAL	FIRE	ROADS		
ASSETS					
Cash	\$ 304,452	\$ 234,909	\$ 99,601	\$ 44,345	\$ 683,307
Certificates of Deposit	163,499	52,712	-	21,219	237,430
Receivables:					
Delinquent Taxes and Fees	30,241	38,310	17,403	-	85,954
Due From Other Funds	6,710	-	-	-	6,710
Total Assets	504,902	325,931	117,004	65,564	1,013,401
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	122	-	-	-	122
Due to the Ambulance Authority	8,519	-	-	-	8,519
Total Liabilities	8,641	-	-	-	8,641
Fund Equity:					
Fund Balance:					
Reserved	-	325,931	117,004	37,557	480,492
Undesignated, Unreserved	496,261	-	-	28,007	524,268
Total Fund Equity	496,261	325,931	117,004	65,564	1,004,760
Total Liabilities and Fund Equity	\$ 504,902	\$ 325,931	\$ 117,004	\$ 65,564	\$ 1,013,401

See accompanying notes to the financial statements.

**TOWNSHIP OF MANCERLONA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2007**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES PER BALANCE SHEET - PAGE 3	\$ 1,004,760
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**Amounts reported for governmental activities in the Statement
of Net Assets (Page 1) are different because:**

Capital assets used in governmental activities are not financial resources and therefore not used in the funds.	1,486,458
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Long-term debt are not due and payable in the current period and therefore not reported in the funds	(184,195)
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TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES PER STATEMENT OF NET ASSETS - PAGE 1	\$ 2,307,023
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See accompanying notes to the financial statements

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

	<u>M A J O R F U N D S</u>			<u>NON MAJOR FUNDS</u>	<u>TOTAL</u>
	<u>GENERAL</u>	<u>FIRE</u>	<u>ROADS</u>		
REVENUES					
Local Sources:					
Current Property Taxes	\$ 143,749	\$ 218,355	\$ 383,978	\$ -	\$ 746,082
Charges for Services:					
Custer Township	-	116,588	-	-	116,588
Property Tax Administration	33,862	-	-	-	33,862
Summer Tax Reimbursement	20,650	-	-	-	20,650
Other:					
Interest/Royalties	38,270	4,137	-	3,856	46,263
Cemetery Fees	-	-	-	17,748	17,748
Library Sources	-	-	-	24,363	24,363
Miscellaneous	12,188	1,254	-	-	13,442
State Sources:					
State Shared/Grant	183,677	-	6,913	6,169	196,759
Swamp Tax	11,820	-	-	-	11,820
Total Revenues	<u>444,216</u>	<u>340,334</u>	<u>390,891</u>	<u>52,136</u>	<u>1,227,577</u>
EXPENDITURES					
General Government	615,692	-	-	-	615,692
Public Safety:					
Ambulance Services	46,275	-	-	-	46,275
Fire Protection	-	336,577	-	-	336,577
Liquor Law Enforcement	-	-	-	4,057	4,057
Road Construction	-	-	408,259	-	408,259
Cemetery	-	-	-	51,301	51,301
Library	-	-	-	58,050	58,050
Total Expenditures	<u>661,967</u>	<u>336,577</u>	<u>408,259</u>	<u>113,408</u>	<u>1,520,211</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(217,751)</u>	<u>3,757</u>	<u>(17,368)</u>	<u>(61,272)</u>	<u>(292,634)</u>
OTHER SOURCES (USES)					
Debt Proceeds	191,000	-	-	-	191,000
Transfers In (Out)	(89,387)	-	43,377	46,010	-
Total Other Sources (Uses)	<u>101,613</u>	<u>-</u>	<u>43,377</u>	<u>46,010</u>	<u>191,000</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>(116,138)</u>	<u>3,757</u>	<u>26,009</u>	<u>(15,262)</u>	<u>(101,634)</u>
Fund Balance - Beginning of Year	<u>612,399</u>	<u>322,174</u>	<u>90,995</u>	<u>80,826</u>	<u>1,106,394</u>
Fund Balance - End of Year	<u>\$ 496,261</u>	<u>\$ 325,931</u>	<u>\$ 117,004</u>	<u>\$ 65,564</u>	<u>\$ 1,004,760</u>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCERLONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007**

NET CHANGE IN FUND BALANCES-

TOTAL GOVERNMENTAL FUNDS - PAGE 5

\$ (101,634)

Amounts reported for governmental activities in the statement of activities (page 3) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.

436,833

Depreciation expense, recorded in the statement of activities but not in the governmental fund financial statements.

(107,276)

Governmental funds do not report long-term debt; therefore, debt service payments are recorded as an expenditure. However, in the government-wide financial statements, long-term debt is recorded and debt service principal payments are applied against the outstanding balance.

6,804

Proceeds from long-term debt are shown as an "Other Source" of income in the fund statements, but not in the Statement of Activities.

(191,000)

**CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES
PER THE STATEMENT OF ACTIVITIES - PAGE 2**

\$ 43,727

See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
MARCH 31, 2007**

ASSETS	
Cash	\$ 16,616
	<u>16,616</u>
LIABILITIES	
Due to Other Funds	6,710
Due to Other Governments	9,906
	<u>16,616</u>
Total Liabilities	<u>16,616</u>
NET ASSETS	
Net Assets	\$ -
	<u>-</u>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCERLONA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED MARCH 31, 2007**

RECEIPTS:

Property Taxes and Interest	\$	3,239,543
		3,239,543

DISBURSEMENTS:

Property Tax and Interest Disbursements		3,239,543
		3,239,543

Changes in Fiduciary Net Assets		-
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Fiduciary Net Assets - Beginning of Year		-
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Fiduciary Net Assets - End of Year	\$	-
		-

See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE A: ENTITY

The Township of Mancelona is a General Law Township of the State of Michigan located in Antrim County, Michigan. It operates under an elected board and provides service to its residents in many areas including law enforcement, community enrichment, and human services. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included. Based on these guidelines, there are no other entities which should be considered for inclusion in this report.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of the Township of Mancelona are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations including required disclosures of the Township's financial activities.

The accounting policies of the Township of Mancelona conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township of Mancelona adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)**

the Township as a whole, excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. At this time, the Township has no business-type activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included as program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS (CONTINUED)

general operating expenditures of the local unit. Revenues are derived primarily from property taxes, State revenue sharing, and other inter-governmental revenues.

Fire Fund – This fund is used to account for all financial transactions related to the Township's fire protection services. Revenues are derived primarily from property taxes and services to Custer Township.

Road Fund – This fund is used to account for all financial transactions related to the Township's road repair/construction. Revenues are derived primarily from property taxes.

The Township reports, in total, the following non-major funds: Cemetery, Library, and Liquor Law Enforcement.

Other Funds

Fiduciary Funds – These funds are used to account for assets held in trust or as an agent for others. Tax collection activities are recorded in this category. Fiduciary activities are not reported in the governmental-wide financial statements, in accordance with GASB Statement No. 34.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 31, 1989.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments. Fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 28; uncollected amounts are subsequently added to the county delinquent tax

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (CONTINUED) .

rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 31, 2006, are recorded as revenue in the current year. The Township's taxable value for the 2006 tax year totaled \$100,489,960.

The tax rates for the year ended March 31, 2007, were as follows:

PURPOSE	RATE/ASSESSED VALUATION
General	0.9847 mills per \$1000
Fire	2.0000 mills special assessment
	0.4923 mills per \$1000 (voted)
Roads	0.9847 mills per \$1000 (voted)
Ambulance	0.4812 mills per \$1000 (voted)

BUDGET

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional and activity basis. The approved budgets of the Township for these budgetary funds were adopted at the fund level. Budgets as adopted end on March 31, of each year. There are no carryover budget items. During the year ended March 31, 2007, no over-expenditures were noted.

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, and equipment, with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalized assets with historical cost of \$1,000 or more as purchase and construction outlays occur.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPTIAL ASSETS (CONTINUED)

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	25-50
Improvements, other than buildings	10-20
Machinery and equipment	5-10
Vehicles	5-10
Infrastructure	20-40

Land, construction in progress, and library books and periodicals are not depreciated.

With respect to asset improvements, costs over \$1000 should be capitalized if:

1. The estimated life of an asset is extended by more than 25%, or
2. The cost results in an increase in the capacity of the asset, or
3. The efficiency of the asset is increased y more than 10%, or
4. Significantly changes the character of the asset, or
5. In the case of streets and roads, if the work done impacts the "base" structure.
6. Other wise, the cost should be expensed as repair and maintenance.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

In government-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bonds discount or premiums, and the difference

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

NOTE C: CASH AND INVESTMENTS

Cash consists of bank accounts or securities with original maturities of 90 days or less.

All **cash deposits** are maintained in financial institutions in Northern Michigan. The Township's deposits are categorized to give the indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Township or by its agent in the Township's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Category 3 – Uninsured and Uncollateralized.

	<u>BANK BALANCE</u>	<u>1</u>	<u>CATEGORY 2</u>	<u>3</u>	<u>CARRYING AMOUNT</u>
Major Funds	\$ 671,267	\$ 1,488	\$ 669,779	\$ -	\$ 638,962
Non-Major Funds	44,345	-	44,345	-	44,345
Total	<u>\$ 715,612</u>	<u>\$ 1,488</u>	<u>\$ 714,124</u>	<u>\$ -</u>	<u>\$ 683,307</u>
Trust & Agency	\$ 43,468	\$ -	\$ 43,468	\$ -	\$ 16,616

**TOWNSHIP OF MANCELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE C: CASH AND INVESTMENTS (CONTINUED)

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's **investments** are as follows:

- (1) Insured or securities held by the Township or the Township's agent in the Township's name.
- (2) Uninsured with securities held by the counter party's trust department or its agent in the Township's name.
- (3) Uninsured with securities held by the counter party's trust department or agent but not in the Township's name.

	CATEGORY			CARRYING AMOUNT
	1	2	3	
Major Funds	\$ 197,605	\$ 18,606	\$ -	\$ 216,211
Non Major Funds	-	21,219	-	21,219
	<u>\$ 197,605</u>	<u>\$ 39,825</u>	<u>\$ -</u>	<u>\$ 237,430</u>

NOTE D: DUE FROM/TO OTHER FUNDS

Due From/To Other Funds represents \$6,710 collected in the current tax collection fund that had not been distributed at March 31, 2007, to various funds as follows:

General Fund	<u>\$ 6,710</u>
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TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007

NOTE E: CAPITAL ASSETS

	<u>CAPITAL ASSETS NOT DEPRECIATED</u>		<u>CAPITAL ASSETS DEPRECIATED</u>			
	<u>Land & Improv.</u>	<u>Library Books & Periodicals</u>	<u>Cemetery & Buildings</u>	<u>Data Handling Equipment</u>	<u>Vehicles & Equipment</u>	<u>Totals</u>
<i>Governmental Activities</i>						
<i>Capital Assets</i>						
Balance, April 1, 2006	\$ 38,004	\$ 50,000	\$ 637,485	\$ 20,000	\$1,268,291	\$2,013,780
Increases	30,000	-	341,733	-	65,100	436,833
Decreases	-	-	-	-	-	-
Balance, March 31, 2007	<u>68,004</u>	<u>50,000</u>	<u>979,218</u>	<u>20,000</u>	<u>1,333,391</u>	<u>2,450,613</u>
<i>Accumulated Depreciation</i>						
Balance, April 1, 2006	-	-	254,476	14,285	588,118	856,879
Increases	-	-	21,837	2,857	82,582	107,276
Decreases	-	-	-	-	-	-
Balance, March 31, 2007	<u>-</u>	<u>-</u>	<u>276,313</u>	<u>17,142</u>	<u>670,700</u>	<u>964,155</u>
<i>Capital Assets, Net</i>	<u>\$ 68,004</u>	<u>\$ 50,000</u>	<u>\$ 702,905</u>	<u>\$ 2,858</u>	<u>\$ 662,691</u>	<u>\$1,486,458</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

Cemetery	\$ 966
Township Administration	2,857
Buildings and Grounds	25,044
Fire	78,409
Total	<u>\$ 107,276</u>

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE F: LONG-TERM DEBT

As of March 31, 2007, the Township had a land contract for the purchase of the new township hall. The balance on the contract as of March 31, 2007 was \$184,195. The original amount was \$191,000. The interest rate is 4.5%, with a monthly payment of \$1,461. The future debt service requirements are as follows:

Year Ending March 31	Principal	Interest	Balance
2008	\$ 9,438	\$ 8,094	\$ 174,757
2009	9,872	7,660	164,885
2010	10,325	7,207	154,560
2011	10,799	6,733	143,761
2012	11,296	6,236	132,465
2013-22	132,465	29,731	-0-
	<u>\$184,195</u>	<u>\$ 65,661</u>	

NOTE G: RESERVED FUND BALANCE/RESTRICTED NET ASSETS

The Township has reserved fund balance/restricted net assets in the amount of \$480,492 related to perpetual care in the Cemetery Fund (\$37,557), the Fire Fund (\$325,931), and the Road Fund (\$117,004).

NOTE H: RETIREMENT PLAN

The Township has a defined contribution pension plan for its employees. Listed below is a summary of the significant plan provisions adopted by Board resolution in February 1969, and as amended in April, 1996.

A. Eligibility Requirements

1. Attained age of 18 and not more than 75.
2. No minimum, service requirement.
3. All employees except volunteer fire fighters and seasonal employees.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007**

NOTE H: RETIREMENT PLAN (CONTINUED)

B. Contributions

Schedule contributions are based on participant's compensation: 75% funded by the Township, 25% by the employee. A total of seven percent (7%) of employee compensation is contributed.

C. Vesting

1. Contributions are vested to the employee immediately upon entering the plan.

D. Plan Administration

1. The plan is administered by the Township Clerk.

During the year of audit, the total employer contributions for the year, was \$6,704. Covered payroll for the year was \$127,693. The plan was funded at the required contribution amount. No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

NOTE I: CONTINGENCIES

INSURANCE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters.

The Township participates in the Michigan Township Participating plan, a self insured group. The pool is considered a public entity risk pool. The Township pay annual premiums to the pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of insurance. The Township has not been informed of any special assessment being required. There were no significant changes in coverage.

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 137,200	\$ 137,200	\$ 143,749	\$ 6,549
State Grants:				
State Shared Revenue	186,278	186,278	183,677	(2,601)
Swamp Tax	11,800	11,800	11,820	20
Charges for Services:				
Property Tax Administration	31,500	31,500	33,862	2,362
Summer Tax Reimbursement	20,493	20,493	20,650	157
Oil/Gas Lease - Airport	13,000	13,000	11,776	(1,224)
Interest	10,000	10,000	26,494	16,494
Miscellaneous	11,800	11,800	12,188	388
Total Revenues	<u>422,071</u>	<u>422,071</u>	<u>444,216</u>	<u>22,145</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Township Board:				
Salaries - Trustees	3,984	3,984	3,434	550
FICA	295	295	271	24
Insurance	20,591	20,591	20,591	-
Spring Clean Up	8,970	8,970	8,936	34
Legal	15,100	15,100	15,093	7
Audit	4,900	4,900	4,900	-
Dues and Subscriptions	2,000	2,000	1,810	190
Printing	1,559	1,559	1,489	70
Street Lights	6,000	6,000	5,763	237
Copier Lease	2,050	2,050	2,049	1
Travel/Meals	730	730	723	7
Capital Outlay	870	870	1,089	(219)
Miscellaneous	6,404	7,604	7,773	(169)
Total Township Board	<u>73,453</u>	<u>74,653</u>	<u>73,921</u>	<u>732</u>
Supervisor:				
Salary	5,971	5,971	5,971	-
Fringes	457	457	457	-
Supplies	900	900	865	35
Education	500	500	-	500
Mileage	150	150	-	150
Total Supervisor	<u>\$ 7,978</u>	<u>\$ 7,978</u>	<u>\$ 7,293</u>	<u>\$ 685</u>

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Election:				
Salaries	\$ 4,100	\$ 4,100	\$ 3,286	\$ 814
Travel	400	400	392	8
Machine Maint.	1,409	1,409	1,409	-
Supplies/Misc.	500	500	-	500
Total Election	6,409	6,409	5,087	1,322
Treasurer:				
Salary	24,062	24,062	24,062	-
Salaries - Deputy and Clerical	11,580	11,580	11,580	-
Fringes	2,757	2,757	2,755	2
Capital Outlay	1,000	1,000	-	1,000
Miscellaneous	470	470	62	408
Total Treasurer	39,869	39,869	38,459	1,410
Assessor:				
Contractual	36,400	36,400	36,400	-
Misc	100	100	-	100
Total Assessor	36,500	36,500	36,400	100
Board of Review:				
Salaries	900	900	560	340
FICA	70	70	43	27
Education	200	200	-	200
Travel	250	250	102	148
Miscellaneous	200	200	54	146
Total Board of Review	1,620	1,620	759	861
Clerk:				
Salary	16,023	16,823	16,826	(3)
Clerical Wages	2,016	2,016	1,983	33
Fringes	1,435	1,435	1,431	4
Education	300	300	-	300
Travel	440	440	-	440
Miscellaneous	1,000	1,000	999	1
Total Clerk	\$ 21,214	\$ 22,014	\$ 21,239	\$ 775

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Township Hall:				
Wages	\$ 28,020	\$ 28,220	\$ 28,042	\$ 178
FICA	2,146	2,146	2,153	(7)
Building Maintenance/Supplies	9,700	9,700	8,397	1,303
Utilities	9,425	9,425	8,048	1,377
Capital Outlay	2,000	2,000	-	2,000
Miscellaneous	350	350	73	277
New Building Fund	68,000	321,000	307,171	13,829
Debt Service	-	-	13,150	(13,150)
Total Township Hall	119,641	372,841	367,034	5,807
General Administration Costs:				
Computer Services	20,000	20,000	17,943	2,057
Postage	9,700	9,700	6,584	3,116
Health Insurance	31,600	31,600	31,578	22
Pension	9,975	9,975	7,704	2,271
Life, Dental, Optical Insurance	1,675	1,675	1,596	79
Total Gen. Administration Costs	72,950	72,950	65,405	7,545
Airport:				
Insurance	1,700	1,700	-	1,700
Repairs/Utilities	450	450	95	355
Dues and Subs	100	100	-	100
Total Airport	2,250	2,250	95	2,155
TOTAL GENERAL GOVERNMENT	\$ 381,884	\$ 637,084	\$ 615,692	\$ 21,392

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
PUBLIC SAFETY				
Ambulance Services	\$ 46,000	\$ 46,000	\$ 46,275	\$ (275)
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	191,000	191,000	-
Interfund Transfers	-	(89,387)	(89,387)	-
TOTAL OTHER SOURCES (USES)	-	101,613	101,613	-
TOTAL EXPENDITURES AND TRANSFERS	427,884	581,471	560,354	21,117
Excess (Deficiency) of Revenues over Expenditures and Other Uses	(5,813)	(159,400)	(116,138)	43,262
Fund Balance - Beginning of Year	612,399	612,399	612,399	-
Fund Balance - End of Year	\$ 606,586	\$ 452,999	\$ 496,261	\$ 43,262

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIRE FUND
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 207,053	\$ 207,053	\$ 218,355	\$ 11,302
Fee from Custer Township	110,187	110,187	116,588	6,401
Interest	3,000	3,000	4,137	1,137
Miscellaneous	2,500	2,500	1,254	(1,246)
Total Revenues	322,740	322,740	340,334	17,594
EXPENDITURES				
Wages	64,600	74,800	74,708	92
FICA	4,942	5,792	5,715	77
Repairs and Maintenance	25,385	29,385	28,797	588
Insurance	29,539	29,539	29,507	32
Supplies	15,890	15,890	15,987	(97)
Utilities	14,405	14,405	13,440	965
Education Outside	11,100	11,100	11,129	(29)
Gas and Oil	8,290	8,290	8,277	13
Physicals	4,500	4,500	4,391	109
Community Service	3,400	3,400	3,361	39
Travel & Lodging	3,475	3,475	3,474	1
Snow Removal	1,900	1,900	1,900	-
Professional Fees	1,200	1,200	1,000	200
Dues and Subs	420	420	420	-
Printing	1,000	1,000	338	662
Capital Outlay	116,600	134,200	134,133	67
Total Expenditures	306,646	339,296	336,577	2,719
Excess (Deficiency) of Revenues Over Expenditures	16,094	(16,556)	3,757	20,313
Fund Balance - Beginning of Year	322,174	322,174	322,174	-
Fund Balance - End of Year	<u>\$ 338,268</u>	<u>\$ 305,618</u>	<u>\$ 325,931</u>	<u>\$ 20,313</u>

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD FUND
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Special Assessment - LON	\$ -	\$ 287,000	\$ 287,938	\$ 938
Property Taxes	91,000	91,000	96,040	5,040
State Revenue - Annual Maint Fee	500	500	6,913	6,413
Total Revenues	91,500	378,500	390,891	12,391
EXPENDITURES				
Road Construction	91,000	421,000	408,259	12,741
Total Expenditures	91,000	421,000	408,259	12,741
Excess (Deficiency) of Revenues Over Expenditures	500	(42,500)	(17,368)	25,132
OTHER FINANCING SOURCES				
Transfer from General Fund	-	43,377	43,377	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	500	877	26,009	25,132
Fund Balance - Beginning of Year	90,995	90,995	90,995	-
Fund Balance - End of Year	\$ 91,495	\$ 91,872	\$ 117,004	\$ 25,132

**TOWNSHIP OF MANCELONA
COMBINED BALANCE SHEET
NON MAJOR FUNDS
MARCH 31, 2007**

	<u>CEMETERY</u>	<u>LIBRARY</u>	<u>LIQUOR</u>	<u>TOTAL</u>
ASSETS				
Cash	\$ 44,345	\$ -	\$ -	\$ 44,345
Certificate of Deposit	21,219	-	-	21,219
Total Assets	<u>65,564</u>	<u>-</u>	<u>-</u>	<u>65,564</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	-	-	-	-
Fund Equity				
Fund balance:				
Undesignated, Unreserved	28,007	-	-	28,007
Reserved	37,557	-	-	37,557
Total Fund balance	<u>65,564</u>	<u>-</u>	<u>-</u>	<u>65,564</u>
Total Liabilities and Fund Equity	<u>\$ 65,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,564</u>

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON MAJOR FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

	<u>CEMETERY</u>	<u>LIBRARY</u>	<u>LIQUOR</u>	<u>TOTAL</u>
REVENUES:				
Grave Openings	\$ 11,498	\$ -	\$ -	\$ 11,498
Royalties	2,720	-	-	2,720
Lot Sales - Perpetual Care	3,200	-	-	3,200
Lot Sales	2,550	-	-	2,550
Yearly Maintenance Fee	500	-	-	500
Interest - Perpetual	1,136	-	-	1,136
State Aid	-	4,590	-	4,590
Penal Fines	-	17,676	-	17,676
Custer/Donations	-	5,190	-	5,190
Liquor License	-	-	1,579	1,579
Misc	-	1,497	-	1,497
Total Revenues	<u>21,604</u>	<u>28,953</u>	<u>1,579</u>	<u>52,136</u>
EXPENDITURES:				
Wages	23,594	24,868	3,250	51,712
Fica	1,784	1,910	249	3,943
Books	-	11,941	-	11,941
Capital Outlay	20,818	-	-	20,818
Cemetery Costs	5,105	-	-	5,105
Library Costs	-	19,331	-	19,331
Liquor Law Costs	-	-	558	558
Total Expenditures	<u>51,301</u>	<u>58,050</u>	<u>4,057</u>	<u>113,408</u>
Excess (Deficiency) of Revenues over Expenditures	(29,697)	(29,097)	(2,478)	(61,272)
TRANSFERS IN (OUT)	<u>14,435</u>	<u>29,097</u>	<u>2,478</u>	<u>46,010</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(15,262)	-	-	(15,262)
Fund Balance - Beginning of Year	<u>80,826</u>	<u>-</u>	<u>-</u>	<u>80,826</u>
Fund Balance - End of Year	<u>\$ 65,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,564</u>